

COMMITMENT TO SOLUTIONS, REFORM

**Leadership Solutions
for
Health Care**

LEADERSHIP SOLUTIONS FOR HEALTH CARE

Goals

- + Lower health care costs.
- + Provide choices for health care.
- + Increase access to health care.
- + Repair the state's safety net.

WHAT IS WORKING

- ✗ Many people are happy with their health care, but are concerned about rising costs and losing it.
 - + 74 percent of people rate their quality of health care as good or excellent, and 80 percent of those with insurance rate their coverage as good or excellent.
 - + *Source: Rasmussen Polling – July 2009*
- ✗ 88 percent of Washingtonians have health insurance.
- ✗ Our state and country offer the best health care in the world.
 - + Americans have better survival rates than Europeans for cancers.
 - + Americans are more satisfied with the care they receive than Canadians.
 - + Life expectancy is higher in America than other industrialized nations.
 - + *Source: National Center for Policy Analysis – March 24, 2009*

UNDERSTANDING THE PROBLEM

- ✗ Cost for a family health benefit plan has tripled since 2000.
 - + A plan that cost \$3,600 per year in 2000 is approximately \$12,000 today.
- ✗ Small business employee health benefit plan costs have more than doubled since 2000.
 - + A plan that cost \$1,680 per year in 2000 is approximately \$4,248 today.
- ✗ People lose their insurance when they lose their jobs.

WHO ARE THE UNINSURED?

Approximately 46.3 million individuals living in the U.S. are uninsured; however, 9.5 million are not U.S. citizens. The actual number of U.S. citizens that are uninsured is around 36.8 million.

- + 41 percent are between 19 and 34-years-old.
- + 20 percent are not citizens or in the country illegally.
- + 38 percent make more than \$50,000 per year.
- + 25 percent are eligible for a government program.
- + 45 percent are uninsured for six months or less.
- + *Source: U.S. Census Data – 2008*

OVERVIEW OF FEDERAL PROPOSALS

- ✗ Public/co-op option
- ✗ Individual mandate
- ✗ Employer mandate
- ✗ Mandated benefit package
- ✗ Health insurance exchange
- ✗ Premium subsidies
- ✗ Medicaid expansion

KEYS ISSUES FOR FEDERAL PROPOSALS

How will federal proposals impact:

- ✗ Costs
- ✗ Choice
- ✗ Quality

COSTS

Costs will go up

- ✗ Major changes offered in federal proposals are cost drivers, not cost reducers.
- ✗ Mandates will increase costs and limit choices in health care.
- ✗ Public option will increase taxes.

CHOICE

Choice will be limited

- ✘ *“In 1993, when the Legislature adopted radical health-insurance changes, 18 insurers were active in Washington’s individual market. Three years later, there were only six with any significant market share. And now there’s only three, which together command 80 percent of the market.”*
- *Puget Sound Business Journal – November 9, 1998*
- ✘ By 1999, the individual market crashed and the three largest insurers stopped writing new policies. Individuals in 30 of our state’s 39 counties could not even buy health insurance.
- ✘ Health Savings Accounts, which currently provide health coverage for eight million people, will most likely not meet government mandates.

QUALITY



OVERVIEW OF STATE PROPOSALS

Change in:	Proposal 1 Regulation	Proposal 2 Connector	Proposal 3 Partnership (Keiser/ Wisconsin Plan)	Proposal 4 Single Payer	Proposal 5 Guaranteed Health Benefit
Persons covered	+1.2%	+7.6%	+10.6%	+10.6%	+6.7%
Total expenditures	+0.1%	-1.3%	-3.6%	+3.8%	+2.3%
Private insurance	+0.5%	-7.8%	-87.7%	-100.0%	-32.1%
State	NC	+10.7%	+283.3%	+376.9%	+157.7%
Federal					
Medicaid/SCHIP	NC	11.5%	+49.4%	+21.9%	-6.3%
P	NC	NC	+77.7%-	+50.2%	NC
Tax expenditures	NC	+61.1%	72.8%	-100.0%	-33.3%

LEADERSHIP SOLUTIONS FOR HEALTH CARE

Five guiding principles

1. Protect what is working and fix what is broken.
2. Repair the safety net for the truly needy.
3. Solutions are not partisan, and all good ideas must be considered.
4. Break down government-created barriers.
5. Protect our freedoms and limit government growth.

LEADERSHIP SOLUTIONS FOR HEALTH CARE

10 Solutions for a Healthier Washington

Purchasing health care plans approved in other states

- ✗ Citizens should be allowed to choose from a wide variety of health care plans from other states.
- ✗ House Bill 1871 did not receive a committee hearing.

New choices for small employers (small group reform)

- ✗ Small employers want more health care options and state government should not be a barrier. A la carte/menu/core benefit plans will control costs and keep more people insured.
- ✗ House Bill 1868 did not receive a committee hearing.

LEADERSHIP SOLUTIONS FOR HEALTH CARE

10 Solutions for a Healthier Washington

Young adult plans

- ✗ Young adults ages 19 to 34 should be allowed to purchase cost-effective plans that meet their needs and budgets.
- ✗ House Bill 1866 did not receive a committee hearing.

Comprehensive medical malpractice reform

Health Savings Accounts (HSAs) for state employees

- ✗ Allow state employees an HSA voucher option since the governor refuses to implement **House Bill 1383** from 2006. This would save tax dollars.
- ✗ House Bill 1870 did not receive a committee hearing.

LEADERSHIP SOLUTIONS FOR HEALTH CARE

10 Solutions for a Healthier Washington

Encourage and incentivize health care innovation

- ✧ Repealing the so-called certificate of need would allow more options and choices.
- ✧ House Bill 1867 did not receive a committee hearing.

Allow core benefit plans

- ✧ Citizens would be allowed a choice of plans with various levels of benefits.
- ✧ House Bill 1865 did not receive a committee hearing.

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10 Solutions for a Healthier Washington

Cutting taxes on health care plans

- ✗ The 2 percent insurance premium tax would be repealed for HSAs, and small employers and self-employed individuals would receive a tax credit for providing health insurance.
- ✗ House Bill 1872 *did not receive a committee hearing.*

State constitutional amendment to protect the rights of residents to make their own health care choices

- ✗ Based on an American Legislative Exchange Council (ALEC) model act and a bill that has been proposed in Arizona.

LEADERSHIP SOLUTIONS FOR HEALTH CARE

10 Solutions for a Healthier Washington

Basic Health Plan (BHP) reform

- ✗ Citizens should not be limited to a state plan when more cost-effective private market options are available. Transform the BHP into a premium-subsidy program for legal residents ages 35 to 64.
- ✗ Reduce BHP costs by more than 50 percent and save the state more than \$300 million in a budget cycle.
- ✗ Strengthen our safety net and ensure quality health care for vulnerable citizens.
- ✗ Align state government to a role of helping people who truly need it.
- ✗ House Bill 2169 did not receive a committee hearing.

LEADERSHIP SOLUTIONS FOR HEALTH CARE

Outcomes

- + Lower health care costs.
- + More choices for health care.
- + Increased access to health care.
- + State's safety net is strengthened.

FOUR FEDERAL REFORMS ... NOW

1. Federal income tax reform.
 - ❑ Provide all individuals with a federal tax credit to purchase health insurance.
2. Purchase health insurance across state-lines.
3. Comprehensive medical malpractice reform.
4. Increase Health Savings Accounts (HSA) contribution limits, and allow Flexible Spending Account (FSA) contributions to roll over.

FEDERAL CONGRESSIONAL DELEGATION

Senator Patty Murray | (202) 224-2621 | <http://murray.senate.gov/email/index.cfm>

Senator Maria Cantwell | (202) 224-3441 | <http://cantwell.senate.gov/contact/>

Congressman Jay Inslee (District 1) | (202) 225-6311

<http://www.house.gov/inslee/contact/email.html>

Congressman Rick Larsen (District 2) | (202) 225-2605 | <http://www.house.gov/larsen/contact/>

Congressman Brian Baird (District 3) | (202) 225-3536

https://forms.house.gov/baird/webforms/issue_subscribe.htm

Congressman Doc Hastings (District 4) | (202) 225-5816

<http://hastings.house.gov/ContactForm.aspx>

Congresswoman Cathy McMorris Rodgers (District 5) | (202) 225-2006

<http://mcmorris.house.gov/?sectionid=82§iontree=4,82>

Congressman Norm Dicks (District 6) | (202) 225-5916

<http://www.house.gov/dicks/email.shtml>

Congressman Jim McDermott (District 7) | (202) 225-3106

<http://www.house.gov/mcdermott/contact.shtml>

Congressman Dave Reichert (District 8) | (202) 225-7761

<http://reichert.house.gov/Contact/ZipAuth.htm>

Congressman Adam Smith (District 9) | (202) 225-8901 | <http://adamsmith.house.gov/Contact/>

THANK YOU – PLEASE STAY INVOLVED

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